

EXHIBIT 1: Trustee's Responses to the HSBC Non-Parties' Objections Relating to Certain Paragraphs from the Trustee's Fourth Amended Complaint

<u>FAC Paragraph No.</u>	<u>HSBC Objections</u>	<u>Trustee's Responses</u>
2-3	No one disputes the years in which the Kingate Funds were formed. Similarly, the Trustee has documented in the exhibits to the Complaint the flows in and out of the Kingate Funds, so those numbers are not in dispute. To the extent, however, the Trustee seeks to obtain information regarding when Ceretti and Grosso first sold shares in the Kingate Funds, Mr. Perry is not the proper party to whom the Trustee should pose that line of questioning because he has no special knowledge as to those allegations.	<p>The HSBC Non-Parties do not dispute the relevance of this allegation.</p> <p>The Trustee and the Kingate Funds have not reached agreement on the transfers, and these remain at issue.</p> <p>The HSBC Non-Parties' general statement that Mr. Perry "has no special knowledge as to those allegations" lacks any specific basis and should be rejected.</p> <p>As an employee of HSBC Bank Bermuda and its predecessor, Bank Bermuda Limited, including as Senior Account Manager for the Kingate Funds, Mr. Perry has knowledge relating to HSBC's role as custodian for the Kingate Funds, including its management of the flows into and out of the Kingate Funds, the structure of and decisionmakers for the Kingate Funds, and the Kingate Funds business relationships, including with Ceretti, Grosso, and BLMIS.</p>
8	As with paragraphs 2-3, the Trustee has provided exhibits to the Complaint which list the transfers from BLMIS to the Kingate Funds, and whether those transfers occurred is not in dispute. The allegations in this paragraph concerning the subsequent transfers from the Kingate Funds to third parties, however, are irrelevant because the claims in the Remaining Kingate Action relate only to the initial transfers from BLMIS to the Kingate Funds.	<p>The HSBC Non-Parties do not dispute the relevance of this allegation as it relates to the initial transfers to the Kingate Funds.</p> <p>The flow of monies to the former subsequent transferee defendants is relevant to the Kingate Funds' business relationships, the enterprise of which the Kingate Funds were a part, and the Kingate Funds' state of mind.</p> <p>The Trustee and the Kingate Funds have not reached agreement on the transfers, and these remain at issue.</p> <p>The HSBC Non-Parties do not dispute that Mr. Perry has knowledge of this allegation.</p>

EXHIBIT 1: Trustee's Responses to the HSBC Non-Parties' Objections Relating to Certain Paragraphs from the Trustee's Fourth Amended Complaint

<u>FAC Paragraph No.</u>	<u>HSBC Objections</u>	<u>Trustee's Responses</u>
79-80	The location and registration address of HSBC Bank Bermuda are well-known facts that need not be confirmed with testimonial evidence. Moreover, Mr. Perry is not a member of HSBC Bank Bermuda's legal team and would not have been involved with negotiating those agreements, thus Mr. Perry is not the proper party to whom the Trustee should pose questions regarding the circumstances surrounding the purported 1994 and 2000 custodian agreements between HSBC Bank Bermuda's predecessor and the Kingate Funds.	<p>The HSBC Non-Parties do not dispute the relevance of this allegation.</p> <p>As an employee of HSBC Bank Bermuda and its predecessor, Bank Bermuda Limited, including as Senior Account Manager for the Kingate Funds, Mr. Perry has knowledge relating to HSBC's role as custodian for the Kingate Funds, including the agreements governing the performance of this role during the time Mr. Perry worked on the Kingate Funds, beginning as early as 2001. Mr. Perry also can, <i>inter alia</i>, authenticate the agreements.</p> <p>Mr. Perry also has knowledge of the management of the flows of monies into and out of the Kingate Funds, and the Kingate Funds' business relationships.</p>
217-22	Notably, HSBC Bank Bermuda does not appear in any of the allegations in these paragraphs. Instead, these allegations relate to risk associated with BLMIS and the degree to which certain non-HSBC Bank Bermuda individuals may have known "that BLMIS lacked the personnel necessary to conduct research on the investment opportunities, execute the purported trades in the IA Business, and manage the billions in assets it purportedly had under management."	<p>The HSBC Non-Parties do not dispute the relevance of these allegations.</p> <p>The HSBC Non-Parties' response is descriptive, does not articulate an argument, and should be disregarded.</p> <p>The HSBC Non-Parties do not dispute that Mr. Perry has knowledge of these allegations. Mr. Perry would have knowledge relating to how the assets were held in custody, and to the extent he has knowledge relating to the lack of independent oversight and customary internal controls at BLMIS, the Trustee is entitled to examine him on this knowledge.</p> <p>Mr. Perry and HSBC have knowledge relating to the Kingate Funds and their agents, including FIM, KML, Ceretti, Grosso, and others which formed the enterprise created by Ceretti and Grosso to profit from sending monies exclusively for investment to BLMIS.</p>

EXHIBIT 1: Trustee's Responses to the HSBC Non-Parties' Objections Relating to Certain Paragraphs from the Trustee's Fourth Amended Complaint

<u>FAC Paragraph No.</u>	<u>HSBC Objections</u>	<u>Trustee's Responses</u>
225	The allegations in this paragraph relate to a separate branch of the HSBC global group that is located in Monaco. Mr. Perry, an employee of HSBC Bank Bermuda, would have no knowledge of the purported allegations related to a wholly separate corporate entity and what employees of that entity may have said.	<p>The HSBC Non-Parties do not dispute the relevance of this allegation.</p> <p>Mr. Perry, as Senior Account Manager at HSBC for the Kingate Funds, would or should have known about serious complaints that HSBC had about the Kingate Funds, even if the complaints came from a different branch of HSBC.</p> <p>The Trustee is entitled to ask Mr. Perry about his knowledge of this incident, which bears on the Kingate Funds' state of mind and business relationships.</p>
242-46	Mr. Perry may be able to testify to the mechanical workings of the Kingate Funds' accounts with HSBC Bank Bermuda. However, as noted above, the Trustee has attached exhibits that list the flow of funds from those accounts. As to the amount the Kingate Funds paid HSBC Bank Bermuda in fees, those numbers are irrelevant to the Remaining Kingate Action because they do not bear on whether the Kingate Funds knew of the BLMIS fraud, and to the extent they constitute subsequent transfers, those claims have been dismissed. Furthermore, the Trustee is able to obtain the fee information from the Kingate Funds because those Funds were party to any contract with HSBC Bank Bermuda that would provide for fees in exchange for custodial services.	<p>The HSBC Non-Parties do not dispute the relevance of these allegations except as to the amount the Kingate Funds paid HSBC in fees. That HSBC was paid for its services as custodian is relevant to the Kingate Funds' business relationships and state of mind.</p> <p>The Trustee and the Kingate Funds have not reached agreement on the transfers, and these remain at issue.</p> <p>The Trustee is also seeking to examine Mr. Perry on the amount of assets that remained as cash at HSBC and were not provided to BLMIS.</p>

EXHIBIT 1: Trustee's Responses to the HSBC Non-Parties' Objections Relating to Certain Paragraphs from the Trustee's Fourth Amended Complaint

<u>FAC Paragraph No.</u>	<u>HSBC Objections</u>	<u>Trustee's Responses</u>
247-52	As with paragraphs 217-222, HSBC Bank Bermuda does not appear in the allegations contained in these paragraphs. Mr. Perry would have no knowledge beyond that of the Kingate Funds regarding the circumstances surrounding the transfers from BLMIS to the Kingate Funds. HSBC Bank Bermuda would not have been involved in determining whether, when, and to what extent transfers would have been made from BLMIS to the Kingate Funds.	<p>The HSBC Non-Parties do not dispute the relevance of these allegations.</p> <p>As with paragraphs 217-22, HSBC and Mr. Perry have knowledge relating to matters in which HSBC's name does not appear, including the initial transfers from BLMIS to the Kingate Funds.</p> <p>The Trustee and the Kingate Funds have not reached agreement on the flows of monies into and out of the Kingate Funds, and these remain at issue.</p>
253-61	These allegations relate solely to subsequent transfers from the Kingate Funds to third parties. These claims have been dismissed from the action pursuant to the ET Decision, and they have no bearing on the Remaining Kingate Action.	The flow of monies between the members of enterprise of which the Kingate Funds and HSBC were a part bears on their state of mind and business relationships.